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UNLOCKING THE POTENTIAL OF DISTRIBUTED ENERGY RESOURCES
THE BUSINESS OF LOCAL ENERGY
CHANGING MODELS

For Utilities
- Traditional obligations in a new paradigm
- Lack of policy clarity as a collaborator or competitor

For ISOs
- Disruptive changes
- Limited visibility, awareness and direct influence
- Managing to a new level of details

For CCAs
- New business model with different approaches and aspirations
- Portfolio of untested resources – both buy and sell
A PORTFOLIO OF RESOURCES EFFECTIVELY DEPLOYED

• How might CCAs and other aggregators orchestrate their DERs?
  - Shape – orchestrate resources within the portfolio to raise the value of the entire portfolio
  - Shed – clip peaks or reduce demand during times of grid stress
  - Shift – move to lower cost time periods
  - Shimmy – fast and flexible short duration

• Decide if/whether to sponsor or administrator for DER programs within a defined benefit

• Non-wires alternatives are being explored; requires utility collaboration
  - Cost management – avoid high cost periods, leverage low cost periods; further refinement is necessary
  - Reliability – use DERs as alternative to traditional solutions
  - Resiliency – use DERs to quickly reassemble the system, such as microgrids
  - Demand management to avoid high prices or take advantage of low prices
BENEFITS, CHALLENGES, AND OPPORTUNITIES

Challenges:
• CCA don’t always have complete data, history and projections of their local system.
• Lack of experience, especially with DERs, as an effective alternative to generation.
• Limited case studies and differing business models.
• Policies to incentivize some customers to benefit all customers?
• Transition periods bring uncertainty.

Opportunities:
• Great community engagement that can be thoughtfully tailored.
• Portfolio and platform management tools emerging.
• Decisions are more related to policy than operations.
• Tailored to local demographics, economics and preferences.
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